alia, *Trans World Airlines, Inc. v. Franklin Mint Corp.*, 466 U.S. 243, 252 (1984), *see* Pet. 23, in fact demonstrate that the court ignored this key doctrine.

General Cigar argues that "Congress enacted the LIBERTAD Act in 1996 to express its intent to confine Cuban nationals to the CACR's provision for registration of intellectual property." Opp. 21. Congress, of course, did nothing of the sort. The LIBERTAD Act was a generic codification of the existing "economic embargo of Cuba," with no explanation of what the "embargo" did or did not permit. Codification of the "embargo" was thus far from the "clearly expressed" congressional purpose required to abrogate a treaty. Pet. 23.

General Cigar also claims a "clearly expressed" purpose to abrogate based on supposed "national security" concerns. Opp. 23-24; *see* Pet. 8-9. The Executive, however, has found no "national security" threat in recognizing that Cubatabaco's Article 6*bis* rights are consistent with the embargo's purposes and U.S. foreign policy (60a), and the Executive's determination is binding on the courts. *See, e.g.*, *Regan v. Wald*, 468 U.S. 222 (1984); *Zemel v. Rusk*, 381 U.S. 1 (1965).

The Executive's finding of *no* incompatibility between the treaty right and the purposes of the embargo distinguishes this case from *Havana Club Holding v. Galleon, S.A.*, 203 F.3d 116 (2d. Cir. 2000), upon which General Cigar so heavily and mistakenly relies. Opp. 21. There, the Second Circuit and the Executive *agreed* that the claimed right to assign a mark was incompatible with the embargo's core purpose of preventing Cuba from obtaining hard currency, and that the CACR therefore prevailed over the claimed treaty right. 203 F.3d at 123-25; *see* Pet. 15-16, 25; *Clark v. Allen*, 331 U.S. 503, 510 (1947).

V. The Court Should Determine Whether the IAC's Bar Against the Knowing Adoption of Another's Trademark Is Enforceable

1. Whether the United States complies with its obligations under the Inter-American Convention's Articles 7 and 8 is a question that merits the Court's attention, now that the Second Circuit has disagreed with the TTAB and held that those treaty provisions

are unenforceable. The Second Circuit's decision damages the U.S.'s credibility as an advocate of intellectual property treaties, and jeopardizes the continued willingness of the other IAC countries (including Cuba) to protect U.S. companies against the knowing adoption of their trademarks. General Cigar simply ignores these international ramifications.

2. Contrary to General Cigar's suggestion, section 44(d) of the Lanham Act does not discharge the U.S.'s obligations under IAC Articles 7 and 8. That provision simply implements Article 4 of the *Paris Convention* by giving treaty nationals six months of priority based on their home country registrations. IAC Articles 7 and 8 provide something entirely different: equitable protection, not limited to six months, against another's *knowing* adoption of the treaty national's foreign trademark.

3. General Cigar cites no authority to support the Second Circuit's finding treaty abrogation exclusively on (disputed) inferences drawn from the *legislative history*, without any claim that the statute's text supports abrogation. The court of appeals' radical departure from this Court's restraints on finding implicit treaty abrogation merits review.

CONCLUSION

For the reasons stated, the petition for a writ of certiorari should be granted. Petitioner respectfully suggests that the Court, if in doubt, request the views of the United States.

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(6)

No. 05-417

In the Supreme Court of the United States

EMPRESA CUBANA DEL TABACO, AKA CUBATABACO,
PETITIONER

v.

GENERAL CIGAR COMPANY, INC., ET AL.

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT*

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

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QUESTIONS PRESENTED

1. Whether the court of appeals correctly concluded that petitioner, which could not acquire ownership of a United States trademark by operation of law because of the Cuban Assets Control Regulations, 31 C.F.R. 515.101 *et seq.*, could also not obtain relief based on an unpreserved claim under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), for consumer confusion arising from respondents' non-infringing use of that trademark.

2. Whether the court of appeals correctly concluded that, if there were a conflict between the Cuban Assets Control Regulations and the United States' treaty obligations under Article 6bis of the Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (Aug. 12, 1970), the regulations would control.

3. Whether the court of appeals correctly concluded, in accordance with its prior decision in *Havana Club Holding, S.A.* v. *Galleon S.A.*, 203 F.3d 116, 124 (2d Cir.), cert. denied, 531 U.S. 918 (2000), that petitioner may not assert claims under Articles 7 and 8 of the General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, 46 Stat. 2918, 2920, through Section 44(b) and (h) of the Lanham Act, 15 U.S.C. 1126(b) and (h).

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

This brief is submitted in response to the Court's order inviting the Solicitor General to express the views of the United States. In the view of the United States, the petition for a writ of certiorari should be denied.

STATEMENT

Petitioner Cubatabaco, a Cuban enterprise, sued respondents General Cigar Co., Inc. and General Cigar Holdings, Inc.—which are affiliated, foreign-controlled, United States corporations —under a variety of theories challenging respondents' use of the COHIBA trademark in the sale of cigars in the United States. The United States District Court for the Southern District of New York, in a series of rulings, granted Cubatabaco relief under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), on its claim of trademark infringement, but rejected Cubatabaco's other claims. See Pet. App. 76a-82a. The court of appeals reversed the

district court's grant of relief under Section 43(a) of the Lanham Act and affirmed the district court's denial of other relief. *Id.* at 1a-48a. The court of appeals based its decision primarily on its determination that the United States' Cuban Assets Control Regulations (CACRs), 31 C.F.R. 515.101 *et seq.*, prevent Cubatabaco from acquiring ownership of the COHIBA trademark in the United States.

A. The Cuban Assets Control Regulations

The United States has issued and periodically revised the CACRs to implement its Cuban trade embargo. The Department of the Treasury initially promulgated the CACRs in 1963 pursuant to Section 5(b) of the Trading with the Enemy Act of 1917, as amended, 12 U.S.C. 95a. See *Regan* v. *Wald*, 468 U.S. 222, 225 (1984). In 1996, Congress ratified the CACRs as part of a broader enactment addressing Cuban issues. See Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Pub. L. No. 104-114, Tit. I, § 102, 110 Stat. 794 (codified at 22 U.S.C. 6032(h)). The CACRs are intended to "prevent any Cuban national or entity from attracting hard currency into Cuba by selling, assigning, or otherwise transferring rights subject to United States jurisdiction." *Havana Club Holding, S.A.* v. *Galleon S.A.*, 203 F.3d 116, 124 (2d Cir.), cert. denied, 531 U.S. 918 (2000). The Secretary of the Treasury has delegated authority for administering the CACRs to the Office of Foreign Assets Control (OFAC). See 31 C.F.R. 515.802.

The CACRs broadly prohibit transactions involving property in which Cuba or a Cuban national has an interest, including "[a]ll dealings in, including, without limitation, transfers, withdrawals, or exportations of, any property or evidences of indebtedness or evidences of ownership of property by any person subject to the jurisdiction of the United States." 31 C.F.R. 515.201(b)(1). The regulations define the term "transfer"

very broadly, 31 C.F.R. 515.310, and they define the term "property" to include trademarks, 31 C.F.R. 515.311(a).

The CACRs identify two broad categories of exceptions to the prohibitions: (1) general licenses, contained within the CACRs themselves; and (2) specific licenses, which OFAC grants in response to specific requests. See 31 C.F.R. 515.317, 515.318. The general licenses include provisions that govern "[c]ertain transactions with respect to United States intellectual property" and provide, among other things, that:

> Transactions related to the registration and renewal in the United States Patent and Trademark Office or the United States Copyright Office of patents, trademarks, and copyrights in which the Government of Cuba or a Cuban national has an interest are authorized.

31 C.F.R. 515.527(a)(1). In addition, Cubatabaco had obtained a specific license allowing it to pursue judicial remedies related to the COHIBA trademark. See Pet. App. 28a.

B. The Proceedings In This Case

1. Cubatabaco exports Cuban tobacco products, including premium cigars sold under the COHIBA trademark. In 1969, Cubatabaco filed an application to register the COHIBA mark in Cuba, and, in the 1970s, Cubatabaco registered the COHIBA mark in Cuba and other countries. Cubatabaco began exporting COHIBA cigars to countries other than the United States in 1982. Cubatabaco apparently considered registering its COHIBA trademark in the United States in 1983, but decided not to do so upon learning that respondents had already registered the COHIBA trademark in the United States. Cubatabaco, however, did register a different trademark —BEHIQUE—in the United States in 1985. Cubatabaco employed the same trade dress for the BEHIQUE mark that it used for the COHIBA mark elsewhere. Cubatabaco did not take any steps against

respondents' use of the COHIBA mark at that time. Pet. App. 7a.

Respondents became aware of the Cuban COHIBA trademark in the late 1970s. They obtained the United States registration of that mark in 1981, based on a first use in 1978, and sold cigars bearing the COHIBA mark until 1987. Pet. App. 7a. In 1992, after several magazines published articles containing favorable comments about Cuban COHIBA cigars, respondents resumed use of the COHIBA mark on a new premium cigar, and they filed a new application to register the COHIBA mark in the United States. The United States Patent and Trademark Office (USPTO) granted the unopposed application in 1995. *Id.* at 8a. Two years later Cubatabaco commenced proceedings before the USPTO and its Trademark Trial and Appeal Board (TTAB) to cancel respondents' registration. *Id.* at 9a. Cubatabaco then filed this suit against respondents, seeking injunctive relief and monetary damages under the Lanham Act, various treaties respecting trademarks, and New York law. *Id.* at 9a-10a.

2. The district court addressed Cubatabaco's claims through a series of orders before and after a bench trial. Before trial, Cubatabaco stipulated to the dismissal of its claims under Section 43(a) of the Lanham Act for false representation of source of origin and deceptive advertising. Pet. App. 10a & n.1. Also before trial, the district court dismissed Cubatabaco's claims under Articles 7 and 8 of the General Inter-American Convention for Trade Mark and Commercial Protection (Inter-American Convention), Feb. 20, 1929, 46 Stat. 2918, 2920. The court ruled, in accordance with the Second Circuit's decision in *Havana Club Holding*, *supra*, that Cubatabaco's claims under the Inter-American Convention are not related to the repression of unfair competition and, therefore, cannot be asserted under Section 44(b) and (h) of the Lanham Act. Pet. App. 11a-12a, 238a-245a.

After the bench trial, the district court held that Cubatabaco had a protectable mark and that respondents' use of that mark

was likely to cause consumer confusion as to the origin or sponsorship of its cigars. See Pet. App. 180a-217a. The district court applied the "common-law 'well-known' or 'famous marks' doctrine," which was "first recognized" in Article 6^{bis} of the Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (Aug. 12, 1970). Pet. App. 181a; see *id.* at 12a-13a.

The district court concluded that, by the time respondents resumed use of the COHIBA mark in November 1992, the Cuban COHIBA mark had obtained a secondary meaning in the United States market. Pet. App. 199a-200a. Therefore, by operation of the famous marks doctrine, "Cubatabaco had a legally protectable right to the mark at that time." *Id.* at 200a. The court also concluded that "there is a likelihood of confusion between the Cuban COHIBA and [respondents'] COHIBA." *Ibid.* The district court accordingly concluded that Cubatabaco was entitled to relief under Section 43(a) of the Lanham Act, ordered the cancellation of respondents' COHIBA registration, and enjoined respondents from further use of the mark. *Id.* at 76a-82a, 223a-224a.

3. On appeal, respondents argued for the first time that the CACRs prevented Cubatabaco from acquiring United States trademark rights through the famous marks doctrine. Pet. App. 16a. The court of appeals invited the United States, which had not previously participated in the case, to file a brief as amicus curiae addressing whether the CACRs barred Cubatabaco's acquisition of the COHIBA mark in the United States through the famous marks doctrine. *Id.* at 17a. The United States filed a letter brief as amicus curiae in response to that inquiry. See *id.* at 51a-75a (letter brief).

The United States explained in its letter brief that Cubatabaco's acquisition of ownership rights in the COHIBA mark in this country through the famous marks doctrine would be a transfer of United States property to a Cuban entity by